

URBAN/MUNICIPAL

CAG WUM

AS6

1992/93

Community Homes Inc.

URBAN MUNICIPAL

JAN 12 1995

GOVERNMENT DOCUMENTS

1992/93 ANNUAL REPORT



WESLEY

Wesley Urban Ministries Inc.

WESLEY COMMUNITY HOMES INC. ANNUAL REPORT

HOUSING COMMITMENT Wesley Urban Ministries has been in the affordable housing business since 1985. Its program has focused on "hard to house singles" - individuals, not uncommonly with histories of psychiatric or other disabilities who have been largely missed by traditional affordable housing initiatives emphasizing "family units". In the year under review Wesley operated 6 houses accommodating a total of 24 tenants, many of whom otherwise would be homeless, under a program jointly funded by the Ministry of Housing and the Ministry of Community and Social Services. The program is designed to ensure that physical housing is supplemented by direct staffing support of tenants for whom this may be a significant step in socializing with others and reentering community life. Typically each tenant has his or her private bedroom space and shares living space with three others. In addition to this jointly funded program Wesley operated additional units on its own account.

NEW HOUSING PROJECT In 1992 Wesley received from the Ministry of Housing an allocation for an additional 73 units of single housing. Presently there is a set of drawings outlining the space available on each floor and the type of units being offered. There will be some quad units, some two bedroom units, some one bedroom units and the rest will be bachelor units. A site has been chosen and zoning changes are in progress. To help in the design process, a series of focus groups were set up so that potential residents could have input into the building's lay out. The expected completion date is Summer 1994.

SEPARATE HOUSING CORPORATION FORMED With this significant expansion of Wesley's housing activity and to better accommodate Ministry of Housing requirements for program accountability WESLEY COMMUNITY HOMES INC. was incorporated in the spring of this year. The new corporation assumes responsibility for existing housing programs and the major new project under development. To provide the necessary links to the parent corporation the 15 members of the Wesley Urban Ministries Inc. board constitute the membership of the new corporation. The Wesley Community Homes Board has nine active members, three of whom will eventually represent tenants from within the program. The members of the Board are Shelly Rempel, Bill Jansen, Tosh Nanba, Bob Thompson, Art Verrall, Charlie Scott, Dave Buckley, Betty Shupe and George MacCuish.

It has been an exciting first year, having to identify with the existing program while learning all about the development process building a new housing project.

Yours Sincerely

George A. MacCuish
Chairperson of Board, Wesley Community Homes Inc.

AUDITORS' REPORT

To the Shareholder of
Wesley Urban Ministries Inc.
Non-Profit Housing Project

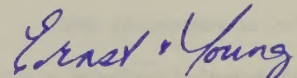
We have audited the balance sheet of **Wesley Urban Ministries Inc. Non-Profit Housing Project** as at March 31, 1993 and the combined statement of revenues and expenses and surplus of funds and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of **Wesley Urban Ministries Inc. Non-Profit Housing Project** as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles described in note 1 to the financial statements.

The financial statements for the preceding year were examined by other auditors.

Hamilton, Canada,
June 25, 1993.


Chartered Accountants

Wesley Urban Ministries Inc. Non-Profit Housing Project

BALANCE SHEET

As at March 31

	1993 \$	1992 \$
ASSETS		
Current		
Cash and short term deposits	19,680	6,500
Rent and other receivables	367	8,622
GST receivable [note 2]	1,479	1,499
Grants receivable - Ministry of Housing	72,295	8,944
Prepaid expenses	12,849	1,929
Recovery of operating deficit	—	107,636
Total current assets	106,670	135,130
Capital [note 3]	724,166	725,929
	830,836	861,059
LIABILITIES AND FUNDS		
Current		
Advances from Wesley Urban Ministries Inc. [note 4]	46,846	64,184
Accounts payable and accruals	32,240	47,700
Current portion of mortgages payable [note 5]	1,797	1,763
Total current liabilities	80,883	113,647
Mortgages payable [note 5]	722,369	724,166
Funds		
Reserve [note 6]	19,585	23,246
Operating	7,999	—
Total funds	27,584	23,246
	830,836	861,059

See accompanying notes

On behalf of the Board:

Director

Director

Wesley Urban Ministries Inc. Non-Profit Housing Project

COMBINED STATEMENT OF REVENUES AND
EXPENSES AND SURPLUS OF FUNDS

Year ended March 31

	1993		1992
	Actual	Budget	Actual
	\$	\$	\$
	<i>[note 8]</i>		
REVENUES			
Rental			
Core needs	20,702	21,360	21,344
Government rent subsidies	170,684	170,684	107,332
	191,386	192,044	128,676
EXPENSES			
Administrative overhead	37,486	26,502	34,292
Amortization of capital costs	1,763	—	1,762
Bad debts	382	640	188
Insurance	2,774	2,000	5,685
Interest on long-term debt	83,537	96,267	83,805
Materials and services	19,504	28,797	18,836
Municipal taxes	6,871	6,600	6,708
Salaries, wages and benefits - programs	18,821	18,468	25,054
Utilities	12,249	12,770	9,501
Transfer to replacement reserve	—	—	13,074
	183,387	192,044	198,905
Excess (deficiency) of revenues over expenses before recovery	7,999	—	(70,229)
Recoverable from government agencies	—	—	70,229
Excess of revenues over expenses for year	7,999	—	—
Surplus of funds, beginning of year	—	—	—
Surplus of funds, end of year	7,999	—	—

See accompanying notes

Wesley Urban Ministries Inc. Non-Profit Housing Project

STATEMENT OF CASH FLOWS

Year ended March 31

	1993 \$	1992 \$
OPERATING ACTIVITIES		
Excess of revenues over expenses for year	7,999	—
Items not requiring a current cash payment		
Transfers to reserve	—	13,074
Amortization	1,763	1,762
	9,762	14,836
Changes in components of operating working capital		
providing (utilizing) cash *	8,842	(10,692)
Net expenditures from reserve fund	(3,661)	—
Cash provided by operating activities	14,943	4,144
FINANCING ACTIVITIES		
Repayment of long-term debt	(1,763)	(1,762)
Increase in cash during year	13,180	2,382
Cash, beginning of year	6,500	4,118
Cash, end of year	19,680	6,500
* Changes in components of operating working capital providing (utilizing) cash		
Rent and other receivables	7,416	(507)
GST receivable	859	(1,499)
Grants receivable	(63,351)	—
Recovery of operating deficits	107,636	(70,229)
Prepaid expenses	(10,920)	1,326
Advances from Wesley Urban Ministries Inc.	(17,338)	37,505
Accounts payable and accruals	(15,460)	22,712
	8,842	(10,692)

See accompanying notes

Wesley Urban Ministries Inc. Non-Profit Housing Project

NOTES TO FINANCIAL STATEMENTS

March 31, 1993

Nature of operations

These financial statements report on the operating results of two specific non-profit housing projects which represent the operations of Wesley Ministries Inc. Project 3000 began operating February 1, 1989 with locations at 27 St. Matthews Avenue, 4 Nightingale Street and 75 Sherman Avenue, Hamilton, Ontario. Federal/Provincial 1989 began operating November 1, 1989 with locations at 177 Sanford Avenue and 17 Holton Avenue, Hamilton, Ontario. Both projects are "All Special Needs Projects" and support care is provided by Wesley Urban Ministries Inc.

The assets, liabilities and operations of Wesley Urban Ministries Inc. are not included in these financial statements, with the exception of the non-profit housing projects referred to above.

On February 8, 1993, under Letters Patent, Wesley Community Homes Inc. was incorporated without share capital. Effective April 1, 1993, the activities of the non-profit housing projects referred to above, will be transferred to Wesley Community Homes Inc.

During the year, Wesley Urban Ministries Inc. received approval from the Ministry of Housing to substantially increase the number of housing units from twenty to ninety-three. The result of this event will be a significant increase in the annual operating budget for the organization. At this time, an estimate of the financial effects cannot be made.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are the representation of management prepared in accordance with accounting policies acceptable for non-profit housing corporations.

Accounting practice

These financial statements have been prepared on an accrual basis of accounting.

Revenue recognition

Revenue derived from grants is recognized when the related expenditures have been made. Funds received for which the related expenditures have not been made are recorded as deferred revenue.

Capital assets

Capital assets are recorded at cost as determined by an audited statement of final capital costs. Amortization of capital assets is charged at an amount equal to mortgage principal repayments.

Modernization, improvement and regeneration expenditures are expensed in the year incurred.

Wesley Urban Ministries Inc. Non-Profit Housing Project

NOTES TO FINANCIAL STATEMENTS

March 31, 1993

Bad debt expense

Only amounts actually written off as uncollectible during the year are reported as bad debt expense.

Reserve fund

Allocations to the reserve fund are included in operating costs. Effective for fiscal 1993, the Ministry of Housing does not permit any increases in the reserve fund except for income earned on the reserve fund assets. All reductions in the reserve fund must be approved by the Ministry of Housing.

2. GST RECEIVABLE

	1993 \$	1992 \$
Total GST paid	2,958	2,998
Less GST receivable rebate	1,479	1,499
Net GST expense	1,479	1,499

3. CAPITAL ASSETS

	1993		1992
	Cost \$	Accumulated depreciation \$	Net book value \$
Land and buildings			Net book value \$
Project 3000	382,707	8,041	374,666
Federal/Provincial 1989	351,625	2,125	349,500
	734,332	10,166	724,166

Wesley Urban Ministries Inc. Non-Profit Housing Project

NOTES TO FINANCIAL STATEMENTS

March 31, 1993

4. RELATED PARTY TRANSACTIONS

Wesley Urban Ministries Inc. administers the two housing projects. During the year the following transactions occurred between the two parties:

	1993 \$	1992 \$
Opening balance payable	64,184	26,679
Miscellaneous houses expenses	15,854	10,064
Salary and fringe benefits	27,315	27,441
Interest on advances	10,522	—
Payments	(71,029)	—
	46,846	64,184

The balance of the account is due on demand and bears interest at the rate prescribed by Revenue Canada.

5. MORTGAGES PAYABLE

	1993 \$	1992 \$
Project 3000		
Mortgage payable bearing interest at 11.74%, repayable in blended monthly instalments of \$3,686, maturing February 1, 1994, secured by land and buildings, a general assignment of rents and a chattel mortgage.		
Balance at beginning of year	375,757	376,848
Repayments during year - shelter	1,091	1,091
	374,666	375,757

Federal/Provincial 1989

Mortgage payable bearing interest at 12.0%, repayable in blended monthly instalments of \$3,446, maturing November 1, 1994, secured by land and buildings, a general assignment of rents and a chattel mortgage.

Balance at beginning of year	350,172	350,843
Repayments during year - shelter	672	671
	349,500	350,172
	724,166	725,929
Less current portion	1,797	1,763
	722,369	724,166

Wesley Urban Ministries Inc. Non-Profit Housing Project

NOTES TO FINANCIAL STATEMENTS

March 31, 1993

It is the intention of the organization to refinance the mortgages upon maturity. Accordingly, only the normal annual amount repayable by monthly instalments has been disclosed in the following estimated principal repayments over the next five years:

	Project 3000 \$	Federal/ Provincial 1989 \$	Total \$
1994	1,371	426	1,797
1995	1,515	500	2,015
1996	1,669	562	2,231
1997	1,843	631	2,474
1998	2,013	710	2,723
	8,411	2,829	11,240

6. RESERVE FUND

	1993 \$	1992 \$
Balance, beginning of year	23,246	10,172
Provision		
Project 3000	—	9,332
Federal/Provincial 1989	—	3,742
Interest earned on funds		
Project 3000	213	—
Federal/Provincial 1989	120	—
Expenditures		
Project 3000	(529)	—
Federal/Provincial 1989	(3,465)	—
Balance, end of year	19,585	23,246

7. INSURANCE

The non-profit housing projects are covered by the following insurance coverage:

Building values

Project 3000

Three properties, total value insured \$435,000.

Federal/Provincial 1989

Wesley Urban Ministries Inc. Non-Profit Housing Project

NOTES TO FINANCIAL STATEMENTS

March 31, 1993

Two properties, total value insured \$340,000.

Comprehensive general liability

Both projects included in \$2,000,000 coverage.

Umbrella liability

Both projects included in \$3,000,000 coverage.

8. BUDGETED INFORMATION

The Ministry of Housing requires that the current year's Ministry approved budget information be disclosed. This information has not been audited. The budget information for fiscal 1993 was formally approved by the Ministry of Housing on May 21, 1993.

9. COSTS ALLOCATION

Costs of operations that cannot be specifically identified with an individual project are allocated on the basis of the number of rental units operating for each project.

10. MANAGEMENT CONTRACT

Wesley Community Homes Inc. has entered into an agreement with Ontario Self-Help Homes Inc. to supply management services to the Non-Profit Housing Project. The fee structure is provided for by the Ministry of Housing and the Ministry of Community and Social Services. The current fee is \$800 per month. The agreement can be terminated by either party on six months' written notice.

Notice was given to Ontario Self-Help Homes Inc. on March 1, 1993 indicating that the Non-Profit Housing Project intended to terminate this agreement. Effective September 1993, management services will be supplied by Wesley Urban Ministries Inc. at a fee to be negotiated between the two parties.

11. COMPARATIVE FIGURES

Prior year's comparative figures have been reclassified to conform with the current year's presentation.



WESLEY

Wesley Urban Ministries Inc.

HAMILTON PUBLIC LIBRARY



3 2022 21335869 6

We believe that all of us share a responsibility for Social Justice. We seek to learn from those who know poverty and alienation from personal experience and to respond with insight and sensitivity to give sanctuary - build trust - and offer hope for a new beginning. We seek to empower individuals to overcome barriers to full participation in the community. We seek to be a catalyst for social transformation by sharing our vision and commitment with others. And we seek to meet a need we all share, the need to make a personal contribution to easing the often desperate plight of our neighbour or the stranger in our midst - be it in time as volunteers or staff members, or as financial supporters - that, **TOGETHER, WE MIGHT MAKE A DIFFERENCE,**

WESLEY
URBAN
MINISTRIES INC.,
75 MARY ST., N,
HAMILTON
(905)528-5629
Fax 528-9977

WESLEY
CENTRE
129 REBECCA ST.
528-5640

KIRKENDALL-STRATHCONA
NEIGHBOURHOOD HOUSE
210 NAPIER ST.
528-8485

VICTORIA PARK
COMMUNITY CENTRE
155 QUEEN ST. N.,
521-0926

WESLEY
COMMUNITY
HOMES INC.,
75 MARY ST., N,
HAMILTON
(905)528-5640
Fax 528-9977